



BIR CONVENTION - Nickel prices to stay volatile in \$23,000-30,000 band - ELG Haniel

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Singapore 23/05/2011 - The nickel price should remain volatile in coming months and hold within its recent \$23,000-30,000 a tonne band, Michael Wright, Chief Operating Officer at ELG Haniel, said here on Monday.

"It's difficult to say where nickel is going because it's not just a question of supply and demand - it is heavily traded by hedge funds at the moment," he told FastMarkets on the sidelines of the BIR convention.

"For every tonne of nickel used, 20 tonnes are traded on the LME," he added.

Nevertheless, nickel should remain within the wide range of \$23,000 to \$30,000 per tonne which has been in place over the past six months, he added.

Nickel dipped below the \$23,000 per tonne level on the LME on Monday, but this is seen as a short-lived move in line with a wider commodity sell-off against a backdrop of a collapsing euro

Nickel fell to a low of \$22,347 per tonne at one point, down over four percent and its cheapest since late-November 2010.

(Editing by Martin Hayes)